

April 26, 2018

**Darlington Arms
Board of Directors**
317 – 14 Avenue SW
Calgary, AB T2R 0M4

Attention: Erik Ross, President

RE: PROPERTY MANAGEMENT AGREEMENT

Thank you for choosing Keystone Grey for your property management needs! We look forward to building a strong relationship with the board members and unit owners of Darlington Arms Condominium.

The within is provided for review purposes, we will still need to make changes to the exact dates and condominium corporation information once obtained.

Should you have any questions or concerns regarding the attached Management Agreement or the services that Keystone Grey offers, please contact us in order to discuss.

We hope you will find the within to be acceptable and we look forward to working with your condominium community!

Kind regards,



Megan Covert for,
Keystone Grey Property Management Team

MANAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into on this ____ day of _____, 2018,
hereinafter referred to as "the Agreement".

BETWEEN:

CONDOMINIUM CORPORATION NO. 9811439

Also known as Darlington Arms
a Corporation duly constituted under the
Condominium Property Act of Alberta
(hereinafter called "the Corporation")

OF THE FIRST PART

- and -

KEYSTONE GREY CORP.

a body corporate, having office at
#200, 1215 – 1 Street SW
Calgary, Alberta T2R 0V3
(hereinafter called "the Manager")

OF THE SECOND PART

WHEREAS a complex of **Forty (40)** residential condominium units or dwellings and related facilities and common property the Corporation is associated herewith, known as "**Darlington Arms**" (hereinafter called "the Condominium"), has been constructed on those certain lands and premises described as:

Municipal Address: 317 – 14 Avenue SW
Calgary, AB T2R 0M4

Corporation Name: Condominium Corporation No. 9811439

THROUGHOUT THIS AGREEMENT:

- a. "the Act" refers to the Condominium Property Act;
- b. "the By-laws" refers to the By-laws as set by the Corporation herein;
- c. "the Board" refers to the Board of Directors appointed by the Corporation herein;

- d. "Schedule 'A'" refers to the Schedule of Services, which schedule is comprised of services that are included with the monthly management fee;
- e. Schedule 'B' refers to the Schedule of Additional Services, which schedule contains services that the Corporation may arrange to have the Manager perform for the Corporation above and beyond those services for which the Manager will perform as part of this Agreement and Schedule 'A'.

WHEREAS the Corporation is interested in having the Manager provide property management services for the Condominium;

WHEREAS the Manager is willing to provide such services to the Corporation subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants and undertakings contained herein, the parties agree as follows:

TERM:

1. The initial term of this Agreement shall be for a term of **one (1)** year. The Initial Term commences on the **1st day of August, 2018** and ends on the **31 day of July, 2019** at 11:59 p.m. (the "Initial Term"). Upon conclusion of the Initial Term, unless an alternative proposal has been provided by the Manager in advance of conclusion of the Initial Term, this Agreement shall automatically renew for a term equal in increment to that of the Initial Term ("Renewal Term"), or unless otherwise cancelled at the end of the Initial Term by providing two (2) calendar month's written notice.

EXCLUSIVITY OF SERVICES:

2. The Corporation hereby employs the Manager on an exclusive basis during the term hereof to manage the Condominium.

MANAGER RESPONSIBILITIES:

3. The Manager agrees to manage the Condominium to the extent, for the period, and upon the terms and conditions herein provided.
4. More particularly, the Manager agrees to perform the following services in the name of and on behalf of the Corporation and the Corporation hereby gives the Manager the authority and powers required to perform these services:
 - a) The Manager shall collect and, as necessary, receive all monthly assessment and contributions and other charges due to the Corporation for operation of the Condominium including any special levies, contingency and reserve funds included therein or relating thereto provided that the Manager shall have no responsibility for

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collection of delinquent assessments and contributions or other charges except sending notices of delinquency once a month unless otherwise authorized and directed by the Corporation.

- b) When authorized, the Manager shall engage the services of a qualified professional in the preparation, registration and discharge of Caveats filed on behalf of the Corporation pursuant to the Act, which shall be at the expense of the Corporation. The Manager and the Corporation may mutually agree to assess additional amounts against the defaulting Owners and represents that the By-laws grant the Corporation the power to collect such amounts.
- c) It is acknowledged by the Corporation that the Manager will arrange to have filed Caveats on those units whose condominium fees remain unpaid for a period equal to three (3) calendar months or as directed by the Board or the By-laws.
- d) The Manager shall maintain records showing all its receipts and expenditures relating to the Condominium and shall promptly submit to the Corporation, or its nominee, financial reports/statements, for the preceding month on or before the twenty fifth (25th) day of the month following the preceding month.
- e) The Manager shall prepare and submit to the Corporation, or its nominee, sixty (60) days prior to the opening month of the next fiscal year a recommended budget for the operation and management of the Condominium for the next fiscal year showing anticipated receipts and expenditures for such year and assist the Corporation in determining the appropriate amount of assessments or contributions to be paid by each owner of a unit for common and administrative expenses as required by the Act and the By-laws of the Corporation and to recommend such revisions thereof as may from time to time be appropriate and to administer such funds on behalf of the Corporation.
- f) Any audit required by the Corporation shall be prepared at its expense by accountants of its selection.
- g) Subject to the provisions of any restrictions contained in the By-laws and at the direction and at the expense of the Corporation, the Manager shall cause the common property of the Condominium to be maintained according to appropriate standards of maintenance consistent with the character, age, size and location of the Condominium, including:
 - i. Cleaning, painting and such other regular maintenance and repair work of that part of the building in the Condominium constituting common property as may be necessary or as directed by the Corporation;
 - ii. Maintenance of the lawns, flower beds, shrubs, trees, i.e. mowing, cutting, trimming, pruning, cultivating, fertilizing, watering, and aerating, as may be reasonably required;

- iii. Spring and fall clean up;
 - iv. Clear snow, slush and debris from and maintain the common driveways and common walkways to keep the said areas neat and clean in appearance;
 - v. Such other regular maintenance and repair work as may be necessary or as directed by the Corporation;
 - vi. The Manager agrees to inspect the common property on a monthly basis and complete an internal property manager site inspection report; and
 - vii. In the event the Corporation required a planned program of rehabilitation or restoration of part or all of the common property and the Manager is expected to co-ordinate and/or supervise such program, the Corporation acknowledges that a separate fee shall be charged by the Manager as per Schedule 'B'.
- h) The Manager shall negotiate and execute on behalf of the Corporation contracts for water, electricity, gas, and such other services for that portion(s) of the Condominium constituting common property as may be necessary or desirable (excluding individually metered to units). The Manager shall also purchase on behalf of the Corporation such equipment, tools, appliances, materials, and supplies as are necessary for the proper operation and maintenance of the Condominium. All such purchases and contracts shall be in the name and at the expense of the Corporation.
- i) The Manager shall pay from the funds of the Corporation all taxes payable by the Corporation, all applicable building and insurance premiums on policies of the Corporation, water rates and other municipal or governmental charges, and all other charges or obligations incurred by the Corporation with respect to the maintenance or pursuant to the terms of this Agreement or to other authority granted by the Corporation.
- j) The Manager shall maintain appropriate records of and shall assist and make recommendations in the placement of all insurance coverage required to be carried by the Corporation pursuant to the Act or By-laws. The Manager, through the insurance agency selected to place insurance on behalf of the Corporation, agrees to advise the Corporation of the nature and extent of the insurance coverage required to be carried by the Corporation.
- k) It is understood and agreed that the placement of any insurance on behalf of the Corporation by the Manager shall only be upon instructions from the Corporation to the Manager and the Manager will be held harmless in the event of any claim, suit or charge by any person whatsoever with regard to inadequate insurance coverage.
- l) The Manager shall keep the Corporation and all owners of units advised of the telephone numbers at which an agent or representative of the Manager may be reached at any time during normal business hours. Unless otherwise instructed by the Board,

the Manager will provide the Corporation and all unit owners an emergency contact number. All services provided after hours may be billable services as noted on Schedule 'B'.

- m) The Manager shall forthwith report to the Corporation any major emergency or any persistent, flagrant or serious violation which might be reasonably expected to be brought to the attention of the Corporation. It is understood and agreed by the parties hereto that the Manager shall in its discretion determine whether or not an emergency exists and whether or not such emergency is of a minor or major nature. The Manager shall deal promptly with such infractions and deal immediately with any emergency arising in connection with the maintenance and operation of the common property which is determined as such by the Manager.
- n) The Manager shall, based on the information and documents made available to it, endeavor to keep a current record of the names and addresses of all unit owners and any lease thereof which it has knowledge of. If the Corporation receives notices or notifications from registered mortgagees or other persons claiming an interest in a unit, the Corporation shall forthwith communicate that information to the Manager.
- o) The Manager, on behalf of the Corporation, shall on the application of a unit owner or any person authorized in writing provide estoppel certificates. Similarly, upon the written request of an owner, purchaser or mortgagee of a unit, the Manager on behalf of the Corporation, shall within ten (10) business days of receiving that request, provide to the person making the request all or any of the statements required.
 - i. The Manager is hereby authorized to be entitled to collect from and charge the requesting party, for its own account, a reasonable fee for the materials referred to herein on behalf of the Corporation.
- p) The Manager shall assist, advise and co-operate with the Corporation in providing any documents requested by the governmental authorities having jurisdiction in that regard.
- q) Subject to the direction of the Corporation and at the expense of the Corporation, the Manager agrees, under any and all governing rules and regulations of the Province of Alberta and the Government of Canada to:
 - i. Commence and prosecute proceedings to enforce the By-laws; and
 - ii. Impose and collect deposits, give notice to give up possession of units, and make application to the Court.

The Corporation shall pay to the Manager a reasonable fee for such services (see attached Schedules), which shall be deemed recoverable from the Defending party, wherever possible, plus costs and expenses reasonably incurred, for the services of the Manager and related to the time spent in respects to the matter on behalf of the Corporation.

- r) Subject to the direction of the Corporation, the Manager, on behalf of the Corporation agrees to account for deposits pursuant to any and all governing rules and regulations of the Province of Alberta and the Government of Canada.
 - s) The Manager shall not be responsible for failure to have performed any of the above services caused by strikes, unavoidable casualties or for any cause beyond the control of the Manager.
5. The Manager shall not make any single expenditure exceeding **two thousand, five hundred (\$2,500.00) dollars**, without the prior consent of the Corporation UNLESS such expenditure or obligation is provided for in the current budget. Notwithstanding the limitations imposed by the preceding sentence, the Manager may, on behalf of the Corporation without prior consent, expend any amount or incur a contractual obligation in any amount required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Condominium or its owners and occupants or may threaten the suspension of any necessary service to the Condominium.
6. The Manager may engage any affiliate or any person or firm associated, affiliated or otherwise connected with the Manager, to perform any work or services for the Corporation within the scope of the Manager's duties under this Agreement, without being in breach of any fiduciary relationship with the Corporation.
7. Notwithstanding any other provision of the Agreement, the Manager is given no authority or responsibility for maintenance of or repairs to individual dwelling units or their privacy area, in the Condominium that do not form part of the common property. Such maintenance and repairs shall be the sole responsibility of the owners individually.
- 8.
- a) The Manager agrees that all monies collected by it on behalf of the Corporation shall be deposited and kept in an account (separate from the Managers' personal account) in a Canadian Chartered Bank or Trust Company. Funds surplus to the current requirements of the Corporation shall from time to time be deposited in interest-bearing term deposits with such bank or trust company. The Manager agrees to advise the Corporation of the interest being earned on all term deposits, GIC's and/or savings accounts. The Manager shall not withdraw, convert, direct, borrow or commingle the monies held in trust for the corporation. with such bank or trust company.
 - b) All expenses of the operation and management of the Corporation may be paid from the funds received from the Corporation and held by the Manager. The Manager is authorized to pay any amount owed to the Manager by the Corporation from such account at any time without prior notice to the Corporation. The Manager shall have no obligation to advance funds to the Corporation for any purpose whatsoever. At its option, however, the Manager may, upon request of the Corporation, advance funds to the Corporation. The Corporation shall pay interest on such advances at the rate of two (2%) percent per month.

COMPENSATION OF MANAGER

9. The Corporation shall pay to the Manager as compensation to it for the services rendered by the Manager, in accordance with this Agreement, a management fee in the sum of **One Thousand Two Hundred and Seventy-Five (\$1,275.00) Dollars per month, plus GST** to be payable on the first day of each and every month during the first year of the Initial Term of this Agreement.
10. During the Renewal Term the Corporation shall pay to the Manager as compensation to it for the services rendered by the Manager, in accordance with this Agreement, an increase in the management fee in the amount of 3% per year.
11. The Corporation shall pay to the Manager an office expense fee in the amount of **Seventy-Five (\$75.00) Dollars per month, plus GST** to cover basic and regular miscellaneous office expenses, including but not limited to photo-copying, paper, envelopes, postage, labels, filing folders, file storage, etc.
 - a. The above-noted office charges exclude any and all large scale reproduction and mail-out supplies (ie. paper, envelopes and stamps). These large projects may be produced either in-house or sent out to a third party for production.
12. In the interests of being an environmentally friendly organization the Manager will not produce unnecessary invoices pertaining to the management fee and office expense fee as these are regular and re-occurring monthly charges.
13. The Corporation shall pay to the Manager all amounts as noted on invoices that the Manager produces for all additional services.

MANAGEMENT AND ADDITIONAL SERVICES:

14. The fees and services offered in Schedule 'B' attached hereto are subject to change from time to time with reasonable 60 days' notice. However, these fees and services will remain competitive with industry standards.
15. Additional charges may be associated with special projects for which the Manager shall also be reimbursed for costs related but not limited to the following:
 - a. Costs to register documents at the Southern Alberta Land Registry District;
 - b. Costs related to the delivery of documentation;
 - c. Costs related to telephone conferencing services (over three participants);
 - d. Costs related to purchase of cheques on behalf of corporation;

- e. Legacy accounting analysis and additional accounting services that are necessary outside of regular accounting services required for the production of monthly financial statements;
 - f. Any other special requirements as directed by the Board of Directors from time to time;
 - g. An administrative fee will be charged at one percent (1%) of the total of each Special Assessment, plus any applicable bank charges. There is a minimum charge of Seven Hundred Dollars (\$700.00) to a maximum charge of Four Thousand Dollars (\$4,000.00) per Special Assessment. The payment schedule would either be a single lump sum payment or quarterly payments for the period of one year. If alternate payment arrangements are required additional fees may apply.
16. The Manager or an officer or employee thereof shall, unless otherwise directed by the Corporation, be available to attend meetings of the Board of the Corporation, during the business days of Monday through Thursday, with the commencement time for same not to exceed 7:00pm. Attendances at **four (4)** up to two (2) hour meetings per annum are included in the basic monthly fee at no additional charge.
- The Manager also agrees to be available and attend the Annual General Meeting of the Corporation. In the event the Board of the Corporation requires the Manager to attend additional meetings, an hourly fee will apply in accordance with Schedule 'B'.
17. The Manager shall keep copies of the official records of the Corporation, but shall not be required to record the minutes of the meetings. The recording of minutes is available as an additional service. The Board shall keep all official records in a safe place.
18. The Board of the Corporation shall designate a single individual who shall be authorized to deal with the Manager on any matter relating to the management of the Condominium. To avoid conflicting directions, the Manager is directed not to accept directions or instructions with regard to the management of the Condominium from any other person. In the absence of any other designation by the Corporation, the President of the Board shall have this authority.
19. The Manager is given no responsibility for compliance by the Corporation or by any of the owners, in respect of any ordinances, laws, rules or regulations and whether municipal, provincial, federal or made by any public authority or official thereof having jurisdiction over it, except to notify the Corporation promptly, or forward to the Corporation promptly, any orders, complaints, warnings, notices, summonses, or like documents received by it relating to such matters. The Corporation represents that to the best of its knowledge, the Condominium complies with all such requirements and agrees to indemnify and hold harmless the Manager, its agents, servants and employees of and from all loss, cost, damage, expense or liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, rules or regulations.

20. At all times the Manager shall act in the best interests of the Corporation and in so acting, the Manager shall not be influenced to the detriment of the Corporation by reason of any financial or other relationship it may have with any other person, firm or corporation. All information on the development, management or disposal of the Condominium, or of any of its units or part thereof, and of the Corporation whether financial or otherwise, shall be treated and forever held confidentially, and this provision shall survive any termination of this Agreement.

LIMITATION OF LIABILITY

21. The Corporation agrees to indemnify and save the Manager and any employees of the Manager harmless from and against all claims, demands, actions, causes of action and suits in connection with the Condominium, inclusive of all legal fees, and from liability for damage to property and injuries or death of any owner or any officer, agent or employee of the Corporation or other person whomsoever and to carry at its own expense public liability and property damage insurance naming the Corporation and the Manager as insured, which insurance shall be in form, substance and in amounts satisfactory to the Manager and the Corporation and to furnish to the Manager a certificate evidencing the existence of such insurance upon request. Insurance coverage which complies with the Act and the By-laws shall be deemed to be satisfactory insurance.

CORPORATION RESPONSIBILITIES:

22. The Corporation agrees:

- a) To pay all expenses without exception incurred by the Manager or the employee of the Manager, including without limitation legal fees and disbursements on a solicitor-client basis, for counsel employed to represent the Manager or the Corporation in any proceeding or suit involving an alleged violation by the Manager or the Corporation or any one or more of them, of any provision, statute, ordinance, law or regulation including without restriction the generality of the foregoing, a law relating to environmental protection, fair housing or fair employment, (unless in either case the Manager is finally adjudicated to have personally and not in a representative capacity violated such provision, statute, ordinance, law or regulation), but nothing herein contained shall require the Manager to employ counsel to represent the Corporation in any such proceeding or suit.
- b) To provide the Manager with all documents and records available to the Corporation which may be required by the Manager to properly manage and operate the Condominium and to perform its duties hereunder. The Manager acknowledges that it has received and is aware of the provision, statute, ordinance, law or regulation including without restriction the generality of the foregoing, a law relating to environmental protection, fair housing or fair employment (unless in either case the Manager is finally adjudicated to have personally and not in a representative capacity violated such provision, statute, ordinance, law or regulation), but nothing herein

contained shall require the Manager to employ counsel to represent the Corporation in any such proceeding or suit.

- c) To provide the Manager with a registered copy of the By-laws of the Corporation and to notify the Manager from time to time of any amendments thereto.
- d) To provide the Manager with instructions within a reasonable period of time.
- e) That cheques for payment of regular and extraordinary expenses and/or invoices of the corporation will be produced at the monthly scheduled period of financial production, in accordance with the Manager's responsibilities herein. Reimbursement for all out of pocket expenses incurred on behalf of the Corporation shall be completed on a monthly basis. Manually produced cheques requested by the Board outside of the scheduled cheque run will incur a \$25.00 charge.

TERMINATION

23. Notwithstanding the other provisions herein, this Agreement shall terminate upon any of the following events:

- a) The insolvency or bankruptcy of the Manager or upon the Manager taking steps to wind up its business voluntarily or otherwise;
- b) On the termination of the Condominium status of any building within the Condominium Plan as it presently exists or as it may be amended.

24. In the event of any complaint, defect, failure or omission on the part of the Manager or the Corporation, either party may give the other thirty (30) days written notice to cure a specific complaint, defect, failure or omission. Should the same not be cured or dealt with to the reasonable satisfaction of the original party within such time, then upon thirty (30) days written notice given by the original party to the other party this Agreement shall terminate.

25. Upon termination of this Agreement:

- a) The Manager shall, within thirty (30) days thereafter, render a final accounting to the Corporation and pay over any balance in the Manager's account remaining in the credit of the Corporation less any amounts necessary to satisfy commitments made by or to the Manager on behalf of the Corporation.
- b) The Manager shall, within thirty (30) days thereafter, deliver to the Corporation all contracts, records, files and other documents or information which may be pertinent to the continuing operation of the Condominium and the Corporation shall provide access to the Manager at all reasonable times and upon reasonable access to all such contracts, records, files and other documents or information subsequent to the termination of the Agreement.

- c) The Corporation shall assume the obligation of any and all contracts which the Manager has made for the purpose of arranging the services to be provided pursuant to this Agreement.

MISCELLANEOUS

26. Any notice or demand required to be permitted herein shall, unless otherwise provided or implied, be in writing and shall be effected by sending the same by registered mail by Canada Post, addressed to the Manager, as follows:


KEYSTONE GREY CORP.
Suite 200, 1215 – 1st Street SW
Calgary, Alberta T2R 0V3

27. This Agreement shall enure to the benefit and be binding upon the parties hereto and their respective successors and assigns.
28. This Agreement shall be governed in accordance with the laws of the Province of Alberta and the Government of Canada, without regard for its conflict of law provisions.
29. This Agreement may be executed in counterpart and all executed counterparts will be taken together as constituting one agreement.

IN WITNESS WHEREOF the parties hereby have caused these presents to be executed under their respective corporate seals as of the day and year first above written.

The Corporation for and on behalf of **CONDOMINIUM CORPORATION NO.**
9811439

Name: Erik Ross
Board President


Signature

May 14, 2018
Date


Name: MARTIN DURIQUES
Board Director


Signature

MAY 14, 2018
Date

The Manager **KEYSTONE GREY CORP.**

Eldon Morrison
Managing Director


Signature

May 18, 2018
Date